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EE-1-1702

31 July 1950

MEMORANDUM FOR: The Director
Acting Executive

SUBJECT: NIS Program and Annual Report

1. We agree with just about all of the substance in the AD/ORE's memorandum on the above subject dated 21 July 1950, but think the NIS Report is too detailed and too long. We cannot, however, agree with all of AD/ORE's recommendations because they are too unrealistic under present conditions. In time of war many other items take precedence over basic intelligence.

a. The Joint Staff gave us a reduced list earlier this year after cogitating on the matter for 4 to 6 months. If they decided to base it on capabilities rather than on supposedly real National Security needs, that was their affair. They probably realized they couldn't get funds and personnel for everything. We, however, should report that the participating agencies are not living up to even these lowered requirements and that is what this fiscal year report does.

b. The Armed Forces Intelligence Agencies did determine their capabilities a few months ago to do the 8 instead of 15 per year, but apparently Korea has now changed that. If they prefer current intelligence to basic intelligence, we don't see how we can make them stick to basic production. Even with the new HICIB, I doubt if they would.

c. Twice we have taken up with them the matter of providing funds for NIS work and twice they have turned us down. The Army's last report said they would like funds if we promised them for a minimum of 5 years and if the ceiling on their personnel could be lifted. We are now trying to get out a memorandum to the SEC, getting support for increased personnel throughout the intelligence structure.

d. Here again if the Service Agencies say they are dropping their share of the NIS work, we cannot make them agree to resume it.

2. When we tried to talk over the 1949 fiscal year NIS Report in the IAC, it was never done because something else came up. We might try it again with this 1950 Report and tell them strongly that they are undermining the whole project; or try to make them declare themselves on whether they will discontinue the whole NIS program or whether they will really go along at its reduced pace. A paper agreement apparently is of no use, so probably an oral one would be no more significant.

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3. We recommend that

(1) The 1950 HES Report go to the participating IAC agencies with a covering memorandum quoting from the AD/ONE memorandum of 21 July 1950 paragraphs 2, 3, 4, 5, 6, 7, and 8. A closing paragraph could ask what they propose to do about the HES at this time — continue it as established (\$ per year) or kill it. An information copy should go to the Executive Secretary of the NSC.

(2) Then we can consider an alternative to the present system which might be to have the HES prepared by State, Commerce, Library of Commerce, Universities, the Geographic Societies, etc. on a contract basis omitting the Pentagon altogether.

4. The military are the chief users and if they won't produce it nowadays, maybe it should be considered a peacetime backlog, rather than a more urgent matter. So maybe the alternative suggestion should be actively supported to make it a civilian research project. As the 1950 Report points out, it has never been a really satisfactory project, as now established; so, with the military situation what it is, it may now be the time to change it to a more or less private research project. I understand that the original British JAMES were started at Oxford.

PRESBOTT CHILDS, Chief
Coordination, Operations
and Policy Staff

cc: Assistant Director, ONE

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